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UNCLAS E F T O SECTION 01 OF 02 OTTAWA 000454

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SENSITIVE

STATE FOR EB/IFD/0DF, EAP AND WHA/CAN

E.O. 12958: N/A

TAGS: EAID EFIN CA

SUBJECT: OTTAWA: TSUNAMI DONORS CONFERENCE AND FORMATION
OF INFORMAL COORDINATION GROUP

REF: A. STATE 18955

B. OTTAWA 03474

¶1. (SBU) Summary: In response to reftel demarche, the GoC has indicated its interest in participating in a donor coordination group, and offered a number of suggestions on structure and participation. Full text of Canadian response follows below. End summary.

¶2. (SBU) In discussions with Finatt last week, CIDA Director General for Strategic Planning Bob Johnston, who is running the tsunami task force, suggested that the first question to be answered is how we (donors) engage the major affected countries (Indonesia and Sri Lanka), a concern reflected in their suggestion that major affected countries play a leadership role. The GOC wants as much reconstruction assistance as possible to be demand-driven, and is awaiting the IFI assessments. (Note: given that NGOs must present project proposals to receive matching funds from CIDA, officials will have a delicate balancing act to ensure that recipient demand matches NGO reconstruction supply. End note.) Although the GOC intends to play a leading role in reconstruction, there have been two obstacles to hammering out the details:

--CIDA officials involved in tsunami relief and reconstruction were "hit over the head" by the scale of Canadians' private donations, which the GOC agreed to match, and are "just starting to get it under control."

--More generally, the GOC is finalizing a long-awaited and unexpectedly contentious interagency International Policy Statement. Although there is consensus that the Canadian International Development Agency (CIDA) has the lead on tsunami reconstruction and CIDA and Foreign Affairs have been

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in frequent consultation regarding our demarche, the IPS process appears to have complicated assignment of responsibility for tsunami reconstruction (and delayed the GoC response to our demarche).

¶3. (SBU) Following is the text of the GoC response to our demarche, received February 14:

Begin text:

--The Government of Canada agrees that close and effective donor coordination, and donor-affected government coordination, is essential for the successful reconstruction of the countries affected by the Tsunami which struck the Indian Ocean on December 26, 2004.

--The Government of Canada believes that a reconstruction coordination group may very well make a positive contribution to these efforts. We would welcome further information from the Government of United States on the process which is envisaged in this regard, including participants and substantive arrangements. Given the number of countries that have or plan to contribute to the reconstruction phase, this will be a delicate challenge. Consideration might be given to in-country donor coordination groups (such as the one which exists in Sri Lanka), and those issues that are cross-cutting and require more senior level engagement can be addressed by the informal coordination group at headquarters through the proposed bi-weekly phone calls.

--Such coordination must take into account the country led nature of the respective reconstruction strategies of the tsunami affected countries. The Government of Canada would

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hope that the proposed coordination group can find the appropriate means to engage the leadership role of our developing country partners in the design and implementation of their respective reconstruction strategies in tandem with the UN, IFI's and bilateral donors.

--As noted in the US note, the World Bank, Asian Development bank and the UN Development Group should be leading participants. In addition, we would propose that consideration be given to having the UN Secretary-General,s

Special Envoy, Mr. William J. Clinton, chair the discussions.
We would expect Jan Egeland to participate as well.

--We agree that it is essential to maintain the momentum initiated by the recent spate of international meetings, including the January 11th donor pledging conference in Geneva. A future donor meeting/conference will need to focus on more well-developed needs assessments and the reconstruction strategies developed in partnership with affected countries over the next few months. Should such a meeting take place, it would be ideal if donors were in a position to indicate the sectors they plan to focus on, so that any obvious gaps can be identified and addressed. This will mean that sufficient time will be needed for donor governments to appropriately prepare, including pursuing consultations with relevant agencies and partners.

--The Government of Canada looks forward to collaborating with the US on these ideas in the coming weeks, and to discussing the American proposal in greater detail.

End text.

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